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US BANKRUPTCY COURT  
DISTRICT OF DELAWARE

Re: Objection to the Designation of China as a “Restricted Foreign Jurisdiction”

In re: FTX Trading Ltd., et al., Case No. 22-11068 (KBO)

Dear Judge Owens:

**OBJECTION TO MOTION OF FTX RECOVERY TRUST TO IMPLEMENT  
RESTRICTED JURISDICTION PROCEDURES**

Submitted by: [Wang Juntao], Tax Resident of China

I submit this objection in my individual capacity as a China tax resident and long-time user of the FTX platform. I hold one KYC-verified FTX account (claim numbers is 69395076), funded entirely with lawfully earned income from years of salaried employment. I trusted FTX to safeguard my personal savings, and I have fully complied with all claim procedures under the Plan.

The proposed motion now threatens to exclude me from rightful distribution without cause, amounting to an arbitrary and unjustified deprivation of my legally owned assets. This is not merely a financial loss — it is a direct infringement on personal property rights. While I do not speak on behalf of others, I am aware that many Chinese creditors are in similarly vulnerable positions and face the same risk of exclusion under this flawed process.

**I. The Motion Grants Excessive Discretion to the FTX Recovery Trust and Its Counsel**

The proposed motion confers excessive and unilateral discretion upon the FTX Recovery Trust and its retained counsel to determine which jurisdictions are “restricted,” without meaningful oversight or input from affected creditors. This subjective and opaque process

risks outsourcing the fate of thousands of creditors — including myself — to a small number of decision-makers with no personal stake in the outcome. Creditors are given virtually no procedural mechanism to challenge or even understand the criteria used in designating jurisdictions. Such a structure creates the unacceptable possibility that lawful, compliant claims may be excluded based on incomplete, misunderstood, or selectively interpreted regulatory information. The risk that our rights could be silently invalidated by internal determinations amounts to a denial of due process.

## II. Even Crypto-Based Distributions Are Legally Permissible in China

### 1. China Recognizes Virtual Assets as Legal Property.

Chinese courts have consistently held that cryptocurrencies such as Bitcoin and Ethereum constitute personal property under the Civil Code. These rulings confirm that individual ownership is lawful.[5][6][7][8]

### 2. Hong Kong Supports Crypto Regulation and Retail Participation.

As a Special Administrative Region (SAR) of the People's Republic of China, Hong Kong operates under the 'one country, two systems' framework... It has also proactively embraced digital assets with a comprehensive licensing regime.[9][10][11][12]

### 3. Mischaracterization of Macau Policy.

The Trust references Macau's 2017 ICO-related warning, but this merely restricts financial institutions from participating in token issuances. It does not prohibit personal ownership or receipt of crypto assets.[13][14]

### 4. International Precedents Support Distributions to Chinese Creditors.

In Celsius Network LLC (Case No. 22-10964, S.D.N.Y.), the court approved USD distributions to Chinese claimants via wire. In the Mt. Gox rehabilitation, Chinese creditors lawfully received crypto (BTC, BCH) through Kraken. No jurisdictional restrictions were imposed in either case.[15][16]

## III. FTX Claims Are USD-Denominated and Payable via Lawful Channels

1. FTX claims are denominated and settled in U.S. Dollars. While these claims originate from crypto investments, the Debtors' Plan explicitly adopts a USD-denominated valuation and distribution framework. The proposed distributions are fiat-based and do not require engagement with virtual assets, rendering them functionally indistinguishable from traditional monetary claims.[1]

2. USD wire transfers are lawful and standard payment mechanisms. FTX Recovery Trust has announced partnerships with global payment platforms (e.g., Payoneer, BitGo)



and distribution agents (e.g., Kraken) to facilitate fiat disbursements. Chinese residents can lawfully receive USD wires via Hong Kong-based accounts, which is outside the scope of capital control violations.[2][3]

3. USD settlement mechanisms exist for Chinese creditors. Even if crypto-based payouts are avoided, there are sufficient and lawful channels for distributing USD. In the Celsius Network LLC case, the bankruptcy court successfully disbursed USD to Chinese creditors via standard international wire transfers, confirming the existence of practical and compliant financial infrastructure.[4]

4. Conclusion to Section III. Given that the FTX bankruptcy estate values and settles creditor claims in U.S. Dollars, this case is fundamentally no different from other bankruptcy proceedings when it comes to distribution. The U.S. Dollar is a global reserve currency and can be lawfully transmitted to Chinese creditors through established channels. Equal access to USD compensation is essential to preserving fairness and equity in the bankruptcy process. The FTX Recovery Trust's attempt to withhold distributions from Chinese creditors based on jurisdictional interpretations of crypto regulation is both unreasonable and legally unfounded.

#### Conclusion

I strongly oppose the designation of China as a "Restricted Foreign Jurisdiction." The motion lacks legal and factual foundation and grants excessive discretion to the FTX Recovery Trust and its counsel to make unilateral decisions without due process. This arbitrary framework threatens to exclude lawful claimants like myself—who acted in good faith and fully complied with all procedures—from receiving rightful compensation. I respectfully urge the Court to reject this motion in the interest of fairness, transparency, and justice for all creditors.

Respectfully submitted,

[Wang Juntao]

[Wang Juntao 王俊涛]

Dated: July 07, 2025

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Appendix A: Reference Links

- [1] <https://www.coindesk.com/markets/2025/05/16/ftx-to-pay-over-usd5b-to-creditors-as-bankrupt-exchange-gears-up-for-distribution>
- [2] <https://www.prnewswire.com/news-releases/ftx-recovery-trust-to-distribute-more-than-5-billion-to-creditors-in-second-distribution-on-may-30-2025-302456976.html>
- [3] <https://www.coinspeaker.com/ftx-adds-payoneer-as-payment-method-for-creditors>
- [4] <https://www.nysb.uscourts.gov/content/re-22-10964-mg-celsius-network-llc-21>
- [5] [https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google\\_vignette](https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google_vignette)
- [6] <https://www.mondaq.com/fin-tech/1577154/shanghai-court-recognises-the-legality-of-crypto-ownership-for-individuals>
- [7] <https://www.coindesk.com/markets/2018/10/26/chinese-court-rules-bitcoin-should-be-protected-as-property>
- [8] <https://news.bitcoin.com/chinese-court-ethereum-legal>
- [9] <https://www.info.gov.hk/gia/general/202210/31/P2022103000454.htm>
- [10] <https://www.reuters.com/technology/crypto-exchange-hashkey-bags-licence-update-serve-retail-users-2023-08-03>
- [11] <https://cointelegraph.com/news/hong-kong-welcomes-first-licensed-retail-crypto-exchange-hashkey>
- [12] <https://www.engage.hoganlovells.com/knowledgeservices/news/hong-kong-government-policy-announcement-on-virtual-asset-exchanges-hong-kong-fintech-week-2022>
- [13] <https://www.gov.mo/en/news/74177>
- [14] <https://www.amcm.gov.mo/zh-hant/news-notice/statement/detail/alert-to-risks-of-virtual-commodities-and-tokens/642>
- [15] <https://www.theblock.co/post/303624/mt-gox-creditors-may-have-to-wait-for-up-to-three-months-to-receive-their-bitcoin>
- [16] <https://cointelegraph.com/news/mt-gox-confirm-bitcoin-addresses-repayment>

CERTIFICATE OF SERVICE

I, [Wang Juntao], hereby certify that on July 5, 2025, I caused a copy of the foregoing Objection to the Motion of the FTX Recovery Trust to Implement Restricted Jurisdiction Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

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- Matthew R. Pierce – pierce@lrclaw.com

I certify under penalty of perjury that the foregoing is true and correct.

Dated: July 7, 2025

China

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[Wang Juntao]

[cyber.punk.9012@gmail.com]



Honorable Judge Karen B. Owens  
United States Bankruptcy Court  
District of Delaware  
824 North Market Street, 3rd Floor  
Wilmington, Delaware 19801  
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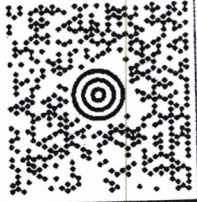
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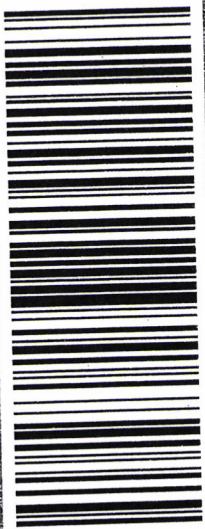
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